

January 27, 2014

Mathew G. Jacobs  
General Counsel

Marte Castaños  
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Legal Office  
P.O. Box 942707  
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Re: Your Request for Advice  
**Our File No. A-14-211(a)**

Dear Mr. Jacobs and Mr. Castaños:

This letter responds to your request for follow up advice regarding gift provisions of the Political Reform Act (the “Act”).<sup>1</sup> You specifically asked for clarification of the following advice in our letter *Jacobs* Advice Letter, No. A-14-211:

***“1. In cases where CalPERS pays for employees to attend a conference, are meals and refreshments available to all such attendees at the conference exempt from gift reporting? Does the fact that meals and refreshments are listed with a nominal sponsor on the conference agenda change the conclusion?”***

“In cases where CalPERS purchases an admission to a conference, CalPERS has purchased the access to the conference and everything included in the admission fee. Similar to where CalPERS enters into a contract to purchase goods and training for its employees, CalPERS will have purchased these benefits and can use them in any way it deems fit. Generally, reimbursement for expenses or per diem received from a state, local, or federal government agency are exempt from both the gift and income definitions in the Act. (Section 82030(b)(2).)”

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<sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

On January 26, 2015, you asked for clarification as to under what circumstances CalPERS is considered to have “paid for” employees to attend a conference.

The reason you ask for this clarification was that in the facts of your original request, you noted that the rates charged to CalPERS to attend these conferences vary.

“CaIPERS staff regularly attends conferences to remain informed about developments in benefit and investment matters. The rates charged to attend these conferences vary from several thousand dollars to free admission. As a government agency and the administrator of a public pension plan, CaIPERS staff is often afforded the opportunity to attend conferences at a reduced rate (e.g., CaIPERS is often offered an Institutional Investor’ or ‘Plan Sponsor’ rate.) At other times, it is offered a “government” rate.”

For example, in the case you asked about “CaIPERS is eligible to utilize the Government/Regulator rate (\$0), the non-member Investor rate (\$250), or the Standard rate (\$2,195).”

We did not address the rate structure in our response to you.

As we discussed by telephone, our letter should have made clear that the same conclusion would apply when CalPERs “acquires” the conference admission at the full rate or a discounted or free government rate and then permits its employees to use the admission. The advice was not based on the cost of admission to CalPERS, but rather on the relationship between CalPERS and its employees and that fact that government salary and benefits provided to an employee are generally not reportable.

Thus, we amend the first conclusion in our letter to read:

1. In the case where CalPERS acquires the admission (whether at the full rate or discounted or free government rate) and the admission includes meals for the attending employees, no gift occurs to the employees. The fact that CalPERS acquires these benefits of admission to the conference and makes them available to attending employees is a nonreportable event. This is true whether a “sponsor” for the food is listed or not.

If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

John W. Wallace  
Assistant General Counsel  
Legal Division

JWW:jgl